

S: 25 Jun 01

ANPE-NAF-FM

MEMORANDUM FOR

Commander, US Army Garrison, Fort Belvoir, 9820 Flagler Road, Suite 21,
Fort Belvoir, VA 22060-5908

Commander, US Army Garrison, Fort Myer, 204 Lee Avenue,
Fort Myer, VA 22211-1199

Commander, US Army Garrison, Fort Meade, 4551 Llewellyn Avenue
Fort Meade, MD 20755-5000

Commander, Headquarters New York Area Command, Building 111
Fort Hamilton, NY 11252-5000

Commander, US Army Garrison, Fort AP Hill, 18436 & Fourth Street,
Fort AP Hill, VA

SUBJECT: Fiscal Year 2002 (FY 02) Morale, Welfare, and Recreation (MWR) and Army Lodging Nonappropriated Fund Instrumentalities (NAFIs) Financial Management Operating Guidance

1. This supplemental guidance applies to all US Military District of Washington (MDW) NAFIs, except post restaurants, civilian welfare funds, and chaplain funds. Army Lodging Fund (ALF) supplemental guidance and MS-Excel templates will be provided under separate cover.
2. The Financial Management Budget System (FMBS) Version 2.0 will be used to prepare individual FY 02 annual operating budgets (AOB) and for consolidated budget submission to the MWR One Fund Financial Management Branch. Historical data by program code for MDW NAFIs has been provided via electronic transmission as a budget worksheet including FY 99/00 actual and projected FY 01 data as of 31 Mar 01.
3. The enclosed basic guidance with all references and memoranda may be accessed through the World Wide Army MWR Homepage at <http://www.armymwr.com> under the Financial Management Guidance.
4. New and revised budget requirement highlights are:
 - a. The NIBD standard for clubs is now 8 percent for FY 02.
 - b. The standard for food operations has been deleted.
 - c. The NIBD standard for golf and category C bowling program has increased from 16 percent to 17 percent.

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d. The post retirement medical liability (PRM) has been increased to a 2.8 surcharge on total payroll. Total payroll will be calculated as the sum of general ledger account codes (GLAC) 601, 609, 617, and 621 for all employees in all categories. The expense will be recorded in GLAC 629 – Post-Retirement Medical Benefits Assessment.

e. The 401 (k) savings plan surcharge of .1 percent remains unchanged.

f. The DOD NAF Health Benefit Plan premiums will remain at the current rate through the end of calendar year 2001. However, premiums for calendar year 2002 will be based on claims during CY 2001 and trends indicate a rate increase.

g. Time, Labor Management System (TLMS) annual maintenance cost should be programmed to equal FY 01 billing. Refresher training is scheduled for a minimum of four one-week classes in FY 02. Installations are encouraged to budget per diem, travel, and other costs for employees to attend this training.

h. The projected cost of living and locality increase for FY 02 is 3.6 percent and should be budgeted for NF 03/04/05's in January 2002. All other NAF pay schedules should budget as of October 2001 at 2.6 percent.

i. New and revised program, department, and GLAC codes have been published. See enclosure 5. Each financial management office will ensure that all new requirements are incorporated into the FMBS module. A complete listing of all valid program, department, and general ledger accounting codes is at enclosure 10.

j. As previously defined in prior year budget guidance for Capital Purchases and Minor Construction projects, it is of utmost importance that multiple items not be submitted as renovations, upgrades, or refurbishment's for the current budget year. Each item must be specific in name and meet the CPMC definition. Those items not qualifying as CPMC will be expensed, i.e., uniforms, china, glassware, tableware, linens, and consumable supply items. The CPMC projections for out-years may be grouped together as a total cost and listed as renovations, upgrades, and refurbishment's if the individual items and costs are not yet determined. The CPMC projects under \$50,000 will be prioritized at installation level and a funding cut line established once a consolidated one fund NIBD projection is determined. Projects \$50,000 and over will first be prioritized at the installation level, submitted to the MWR EXCOM for fund priority, and then presented to the MDW MWR BOD for final approval. Carryovers need to be identified and programmed into your FY 02 CPMC budget. Uncompleted FY 01 projects not carried forward on your FY 02 CPMC list, and are executed in FY 02 will

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be deducted from your FY 02 CPMC allocation. Projects in excess of the \$50,000 threshold will comply with appendix B of the MDW MWR One Fund charter. **It is imperative that your CPMC budget NOT be front loaded into the first quarter.** Projects need to be budgeted in the quarter that you project receipt of the item/items and payment is made. Prior planning in your CPMC budget and execution is crucial.

k. At the time of minor construction project approval (projects \$200K but less than \$500K) a copy of the DD Form 1391, Military Construction Project Data, will be forwarded to the MDW One Fund financial management branch. This form will be forwarded to the Commander, US Army Community and Family Support Center to be reported to the Office of the Secretary of Defense.

l. The standardized automated Personnel Requirements Document (PRD) has been updated by the MACOM and will be sent via electronic transfer to your Financial Management Branches.

5. The IMWRF and Lodging Fund overhead cost allocation budget guidance is provided in detail at enclosure 5. The MWR Funds at the installations support the lodging fund with many services and the cost should be equitably apportioned to lodging. Such services include the (RC) DCA/ADCFA/Fund Custodian, (RE) Services, (RF) Financial Management, (RI) Information Technology Services, (RU) Marketing, and (RQ) Community Operations/Business programs (or division chief assigned to directly supervise and /or to perform oversight over lodging) are authorized to be charged to lodging by allocation. Any charges of MWR Fund administration/overhead costs are to be negotiated between MWR and the Lodging Funds on the installation. The support agreement is to be documented in an MOA and a copy furnished to the CAO. The MOA will list the services provided and the charging methods used for either lodging or MWR Fund. The MWR Fund expenses charged to lodging are not to include Department Code GL – Demonstration Resources/Utilization, Support, and Accountability (USA). The same guidelines apply if lodging provides services to MWR. The overhead cost allocation expense GLAC 688, Common Service Fund Expense, and the overhead cost allocation income GLAC 547, Income from Allocation of Expenses, are recorded in the IMWRF (Program Code RP) and the lodging fund as appropriate.

6. Specific budget guidance pertaining to MWR Utilization, Support, and Accountability (USA) is provided at enclosure 8. This guidance includes policy clarification on APF authorizations, accounting instructions, and a sample Memorandum of Agreement.

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All APF authorized NAF expenses will be budgeted under one of two NAF department codes under each appropriate NAF program code. Department Code GL (Demonstration Resources/USA) will be used to account for all APF-authorized NAF expenses supported by USA Income in accordance with the terms of the MOA. Department Code GN – APF authorized NAF expenses are not expected to be supported by USA Income. It is important to identify all expenses which are authorized APF support but for which APF support is not received as APF Shortfall expenses. The financial statements will help you identify the extent to which NAF's are having to be substituted for authorized APF support. Expenses may be transferred from Department GN to department GL during the fiscal year if funding becomes available. The amount of USA Income (GLAC #508) and the expenses recorded in Department GL within each program must match. If the expenses charged to Department GL are less than the programmed/obligated support per the MOA, expenses may be transferred from Department GN so that the total expenses in Department GL equal the USA Income. If the expenses recorded in Department GL exceed the USA Income, expenses will be transferred to Department GN so that the total expenses in Department GL equal the USA Income.

7. The commander's narrative will include as a minimum:

- a. Description of installation budgeted financial performance against Army financial management standards.
- b. Identification and discussion of noteworthy trends.
- c. Description of any anticipated cost savings.
- d. Remarks on significant NAF revenue increases.
- e. Identify activities receiving USA funding.

8. A budget checklist has been provided at enclosure 11.

9. The projected timeline for budget submission and approval by the MDW MWR Board of Directors (BOD) is as follows:

- a. Budgets submitted to MACOM 25 Jun 01.
- b. Budget review/coordination with installation and MACOM Staff, week of 16-20 Jul 01.

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- c. Budgets presented to the MDW EXCOM 31 Jul 01.
- d. Budgets presented to the MDW MWR BOD for approval 7 Aug 01.
- e. Budgets due to US Army Community and Family Support Center 31 Aug 01.

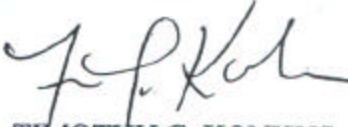
10. The commander's narrative, along with supporting schedules, will be submitted to reach this office no later than 25 Jun 01. Supporting schedules includes Annual Operating Budgets, prioritized CPMC, APF/NAF Five-year Financial Plan, MWR USA MOA, and referenced budget worksheets.

11. This supplemental guidance may be accessed on the MDW Deputy Chief of Staff for Personnel's web site at <http://www.mdw.army.mil>.

12. The point of contact for this action is your respective budget analyst, MDW MWR One Fund, (202) 685-2040, DSN 325.

FOR THE COMMANDER:

11 Encls
1-10, nc
Added 1 encl
11.



TIMOTHY G. KONKUS
COL, GS
Deputy Chief of Staff
for Personnel

CF (wo/encls) :

Commander, US Army Military District of Washington,
ATTN: ANPE-MWR-SS

Commander, US Army Community and Family Support Center,
ATTN: CFSC-FM-C